(b) if so, what is the reaction of Government and whether such legislation is in the offing?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The Committee on the Financial System headed by Shri M. Narasimham, had emphasised the need for an appropriate regulatory framework for sound, orderly and competitive growth of mutual fund business. The Committee felt that, to start with a proper legal framework would be enecssary to govern the establishment and operation of mutual funds.

(b) The Securities and Exchange Board of India (SEBI) Act, 1992 empowers SEBI to register and regulate the working of mutual funds.

**Setting up of gold management Corporation**

558. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an expert group has suggested the setting up of a Gold Management Corporation to serve as a central pool for management of gold resources in the country; and

(b) if so, what is Government's response to the Group's recommendation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) No such suggestion has been received by Government.

**भुगतानों पर सरकारी रोक**

559. **डा० अबरार अहमद** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या उन के मंत्रालय ने केन्द्रीय मंत्रालयों और विभागों से 'सांविधिक और अन्य अनिवार्य भुगताओं" को छोड़कर सभी भुगतान रोक देने तथा शेष को चालू वित्त वर्ष की दूसरी तिमाही तक आस्थगित करने के लिए कहा है ; और

(ख) यदि हां तो संसद द्वारा पहले से ही स्वीकृत की जा चुकी और कार्यान्वित की जा रही योजनाओं और परियोजनाओं पर इस निर्णय का क्या प्रभाव पड़ा है ?

**वित्त मंत्रालय में राज्य मंत्री (श्री शन्ताराम पोट दुखे)** : (क) और (ख) सरकार द्वारा प्रारम्भ की गई राजकोषीय सुधार प्रक्रिया के भाग के रूप में किए गए प्रयास का आशय न केवल वर्ष के अन्त में घाटे को बजटीय स्तर तक बनाए रखना रहा है बल्कि इसका साप्ताहिक मासिक आधार पर सूक्ष्मता से मानीटरिंग करना और वर्ष के दौरान घाटे में अधिक वृद्धि सेबचना भी रहा है जिसका मुद्रा आपूर्ति की वृद्धि और मुद्रास्फीति पर प्रतिकूल प्रभाव पड़ा । इसके लिए आवश्यक है कि केन्द्र सरकार को प्राप्तियों में होने वाली प्रगति के संदर्भ में समय-समय पर अपने व्यय को सीमित करने का भी प्रयास करना चाहिए । पहले दो महीनों के अन्त में की गई समीक्षा से तत्काल कुछ विशेष सुधारात्मक कार्रवाई करने की आवश्यकता का पता चला और इसलिए व्यय के विनियमन और प्राप्तियों की वसूली के विषय पर सभी मंत्रालयों को उपयुक्त अनुदेश जारी किए गए थे । इनमें अन्य बातों के साथ-साथ यह व्यवस्था थी कि जबकि सांविधिक और अनिवार्य अदायगियां सामान्यत: की जा सकती हैं वहीं अन्य अदायगियों की वित्तीय वर्ष की दूसरी तिमाही तक आस्थगित किया जा सकता है । प्रश्न के भाग (क) में उल्लिखित किस्म के महत्वपूर्ण मामलों पर ध्यान रखने के लिए अनुदेशों में यह भी व्यवस्था थी कि जहां भी ऐसा भुगतान अपरिहार्य हो जाता हो वहां मामले पर वित्त मंत्रालय के साथ पहले ही विचार-विमर्श किया जाना चाहिए ।

**Impact of securities Scam on foreign investment in Indian Stock Market**

560. SHRI N. E. BALARAM:

SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the prospects of direct foreign investments in

the Indian stock markets have received a major setback due to the recent securities scam; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) Does not arise.

**Reopening of No. 1 Mill of Titagarh paper mills**

@561. SHRI MOHAMMED AMIN: Will the Minister of FINANCE be pleased to state:

(a) whether IDBI has since released Rs. 1806 crores required to reopen the No. 1 Mill of Titagarh Paper Mills; and

(b) if so, whether efforts to reopen the mill are going on in full force?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The Industrial Development Bank of India (IDBI) has reported that out of Rs. 1850 lakhs sanctioned by the institutions pursuant to a rehabilitation scheme formulated and sanctioned by BIFR in December, 1990, it has disbursed Rs. 50 lakhs to meet expenditure on repairs and over-hauling of the plant and machinery prior to restarting of Mill No. 1 of Titagarh Paper Mills. Since a core promoter has not yet been identified to manage this company, the amount remains unutilised with the company. Efforts are however being made under the aegis of the Board for Industrial and Financial Reconstruction (BIFR) by the State Govt. of West Bengal, IDBI and the company to identify a core promoter.

**Computerisation of Accounting in RBI**

562. SHRI S. K. T. RAMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) what steps have been taken by Government to computerise the system of accounting in the RBI;

(b) what steps have been taken to prevent the misuse and abuse of bank receipts; and

(c) what steps are being taken to prevent the misuse of account payee cheques, credited in favour of some one other than the payee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Reserve Bank of India (RBI) have recently installed a computer system and developed the software for computerisation of Securities General Ledger (SGL) Accounts in their Public Debt Office at Bombay. Advanced Ledger Posting Machines have been installed in Madras and New Delhi Offices, and will soon be installed in Bombay, Hyderabad and Bangalore Offices. RBI have also installed a nation-wide network for transmission of funds related messages.

(b) RBI have reported that on the basis of recommendations contained in the first interim report of the Janakiraman Committee they have issued in June, 1992 detailed guidelines to banks on the conduct of their investment portfolio. These guidelines seek *inter-alia* to restrict the use of bank receipts (BR). In terms of these guidelines banks have been advised that no BR should be issued under any circumstances in respect of transactions in Government securities for which SGL facility is available. Even in the case of other securities banks have been advised that BR be issued for ready transactions only under special circumstances mentioned in RBI's circular of June, 1992.

(c) RBI have reported that Negotiable Instrument Act (NI Act) 1881 contains safeguards against misuse of crossed cheques. In terms of the provisions of NI Act, payment of a crossed cheque, where the cheque is crossed generally, shall not be made by the banker on whom it is drawn otherwise than to a banker. Where a cheque is crossed specially the payment shall not be made by

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@Previously Unstarred Question 197, transferred from the 9th July, 1992.